



Department of  
**Environment &  
Conservation**

# **TDEC Update on the Volkswagen Diesel Settlement Environmental Mitigation Trust**



# Proposed BMP Public Comment Period

In conjunction with the release of the proposed Beneficiary Mitigation Plan (BMP) to the public on July 17, 2018, TDEC uploaded a recorded presentation to the TDEC Webpage that addressed the various sections of the State's proposed BMP. The public was encouraged to submit comments via a public comment form accessible online or via email.

Following the close of a 30 day public comment period on August 17, 2018, all comments and input received were reviewed and considered by TDEC personnel.

TDEC received comments from 44 respondents, each representing a unique entity. As with the first public comment period, these entities provided advocacy, business, government, individual, and other perspectives. All commenters were added to the TDEC Email List so that they will be kept apprised of any future and related announcements.



# Revisions to Proposed BMP

As a result of the feedback received, the final BMP will include the following revisions:

(1) Due to expected NOx emissions reductions from Alternate Fueled and All-Electric projects being higher than expected NOx emissions reductions from new diesel projects, the State will prioritize funding for Alternate Fueled and All-Electric vehicle Repower and/or replacement projects under the Class 4-7 Local Freight Trucks and Class 8 Local Freight Trucks and Port Drayage Trucks EMA categories as well as under the Class 4-8 School Bus EMA sub-category.

(2) Due to confirmed commercial viability, Repowers of eligible Class 4-8 Transit and Shuttle Buses with any new All-Electric engine shall be considered eligible. All other Repowers under this EMA sub-category will not be considered eligible.

# EMA Categories and Allocation Breakouts

The State expects to be able to release a final BMP later this week. This final BMP will note that the State has selected the following Environmental Mitigation Action (EMA) categories and allocation amounts:

- Class 8 Local Freight Trucks and Port Drayage Trucks: 10%
- Class 4-7 Local Freight Trucks: 15%
- Class 4-8 School Bus, Shuttle Bus, or Transit Bus: 60%
- Light Duty Zero Emission Vehicle Supply Equipment: 15%

These categories allow the State to target the two sectors that make up approximately 75% of Tennessee's mobile NOx emissions: the on-road, diesel heavy duty sector (33% of mobile NOx emissions and 62% of mobile diesel NOx emissions) and the on-road, non-diesel light duty sector (40% of mobile NOx emissions).

# EMA Categories and Allocation Breakouts

Using an Initial Eligible Administrative Expenditures Reserve of 10% for each EMA category results in the following breakout:

## Class 8 Local Freight Trucks and Port Drayage Trucks:

Anticipated % of Funds	10% (\$4,575,991.44)
Available Funds	Initial Eligible Project Funds: \$4,118,392.30 Initial Eligible Administrative Expenditures Reserve : \$457,599.14

## Class 4-7 Local Freight Trucks:

Anticipated % of Funds	15% (\$6,863,987.16)
Available Funds	Initial Eligible Project Funds: \$6,177,588.45 Initial Eligible Administrative Expenditures Reserve: \$686,398.71

# EMA Categories and Allocation Breakouts

## Class 4-8 School Bus, Shuttle Bus, and Transit Bus:

Anticipated % of Funds	60% (\$27,455,948.64)
Available Funds	Initial Eligible Project Funds: \$24,710,353.78 (\$16,000,000 for Transit and Shuttle Buses and \$8,710,353.78 for School Buses) Initial Eligible Administrative Expenditures Reserve: \$2,745,594.86

## Light Duty Zero Emission Vehicle (ZEV) Supply Equipment:

Anticipated % of Funds	15% (\$6,863,987.16)
Available Funds	Initial Eligible Project Funds: \$6,177,588.45 Initial Eligible Administrative Expenditures Reserve: \$686,398.71

# Timeline for Solicitation

TDEC plans to release separate project solicitations for each of the EMA categories. TDEC anticipates that it will employ the following order, with the first project solicitation to be released in late September or early October of 2018:

- (1) Class 4-8 School Buses;
- (2) Class 4-8 Shuttle and Transit Buses;
- (3) Class 4-7 Local Freight Trucks, Class 8 Local Freight and Port Drayage Trucks; and
- (4) Light Duty ZEV Supply Equipment.

Additional project solicitations for these EMA categories will be released until eligible project funds are exhausted. TDEC will strive to obligate Initial Eligible Project Funds by the end of calendar year 2023.



# RFI on Light Duty ZEV Supply Equipment

With regard to the Light Duty ZEV Supply Equipment category, TDEC will likely issue an RFI in calendar year 2019 to request additional information as to how the State should consider allocating the funds within this EMA category between the following EMA sub-categories:

- (1) Light duty electric vehicle supply equipment that will be available to the public;
- (2) Light duty electric vehicle supply equipment that is available at a workplace but not to the general public; and
- (3) Light duty electric vehicle supply equipment that is available at a multi-unit dwelling but not to the general public.

# Contact Us!

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